

## Message Text

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67

ACTION ARA-10

INFO OCT-01 ISO-00 ERDA-05 AID-05 CEA-01 CIAE-00 CIEP-01

COME-00 DODE-00 EB-07 FPC-01 H-02 INR-07 INT-05 L-03

NSAE-00 NSC-05 OMB-01 PM-04 USIA-06 SAM-01 OES-03

SP-02 SS-15 STR-04 TRSE-00 FEA-01 /090 W

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R 281759Z OCT 75

FM AMEMBASSY GEORGETOWN

TO SECSTATE WASHDC 1923

INFO AMEMBASSY CARACAS

AMEMBASSY PORT OF SPAIN

LIMITED OFFICIAL USE GEORGETOWN 1805

E.O. 11652: N/A

TAGS: ENRG, PFOR, TD, VE, GY

SUBJECT: ENERGY- PETROLEUM SITUATION IN GUYANA

REF: GEORGETOWN 1490

1. EXPLORATION- SHELL OFFICIAL INFORMS US THAT COMPANY RELINQUISHED ITS OFFSHORE CONCESSION IN EARLY OCTOBER. HAD SHELL NOT RELINQUISHED, IT WOULD HAVE BEEN COMMITTED TO DRILL TWO WELLS WITH COMBINED TOTAL DEPTH OF 20,000 FEET ANNUALLY OR ELSE PAY PENALTY TO GOG. IN VIEW OF UNSUCCESSFUL DRILLING DURING 1974 AND 1975, COMPANY DECIDED TO RELINQUISH. ONLY ACTIVE CONCESSION 1/ ALSO OFFSHORE) NOW HELD BY GERMAN-OWNED DEMINEX. U.S. FIRM, KEWANEE OIL, HAS YET TO REACH AGREEMENT WITH GOG ON TERMS OF OFFSHORE EXPLORATION (REFTEL). LOCAL LAW FIRM REPRESENTING KEWANEE BEOCTS TO HAVE ICPVANY PROPOSAL SHORTLY.

2. WE HAVE HEARD RUMORS FROM VARIOUS QUARTERS THAT VENEZUELA HAS OFFERED TO CONSTRUCT A SMALL REFINERY IN GUYANA, COUPLED WITH AGREEMENT TO SUPPLY CRUDE ON LONG-TERM BASIS. VENEZUELA WOULD PARTICIPATE IN OWNERSHIP AND MANAGEMENT OF REFINERY. WHILE WE  
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HAVE NO RPT NO OFFICIAL INDICATION THAT GOG HAS ACCEPTED, OR

EVEN IF VENEZUELA HAS IN FACT PROPOSED  
SUCH A SCHEME. THERE IS  
SOME DIALOGUE GOING ON BETWEEN THE TWO ON SUBJECT OF PETROLEUM.  
DCM RECENTLY MET AT SOCIAL FUNCTION VENEZUELAN OFFICIAL INVOLVED  
WITH GOV PETROLEUM INSTITUTE. OFFICIAL DECLINED TO DISCUSS  
DETAILS OF HIS VISIT TO GUYANA, BUT ADMITTED HE WAS TALKING TO GOG  
ON SUPPLY OF REFINED PETROLEUM AND PETROLEUM EXPLORATION.

3. COMMENT- IF THERE IS SUBSTANTIVE DISCUSSION GOING  
ON BETWEEN  
GOG AND LLV ON PETROLEUM, IT MORE LIKELY TO BE FOR IMMEDIATE  
SUPPLY OF REFINED PRODUCT, SUCH AS BUNKER "C" FOR GUYANA BAUXITE  
COMPANY OR GUYANA ELECTRICITY CORPORATION. TOTAL DEPENDENCE  
UPON VENEZUELA FOR OIL WOULD SEEM TO BE UNWISE MOVE ON GOG'S  
PART. BURNHAM PROBABLY EQUALLY RELUCTANT TO SEEK GOVT-TO-GOVT  
AGREEMENT WITH TRINIDAD, EVEN THOUGH SUCH A DEAL WOUL  
BE FEASIBLE

GIVEN THE NEW OWNERSHIP STRUCTURE THERE. IT IS QUITE LIKELY THAT  
GOG TOLERATES EXISTENCE OF FOREIGN PRIVATE OIL COMPANIES IN  
GUYANA BECAUSE THEY OFFER DIVERSITY OF SUPPLY.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM, EXPLORATORY DRILLING, PETROLEUM CONCESSIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 28 OCT 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
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**Errors:** N/A  
**Film Number:** D750374-0034  
**From:** GEORGETOWN  
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**Image Path:**  
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**Legacy Key:** link1975/newtext/t19751015/aaaaamzg.tel  
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**Office:** ACTION ARA  
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**TAGS:** ENRG, PFOR, TD, VE, GY, US  
**To:** STATE  
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